

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
FOREST VIEW ACRES WATER DISTRICT
AND THE BOARD OF DIRECTORS OF THE
WATER ACTIVITY ENTERPRISE
HELD
NOVEMBER 29, 2007**

A special meeting of the Board of Directors of the Forest View Acres Water District and the Board of Directors of the Water Activity Enterprise (referred to hereafter as "Board") was held on Thursday, November 29, 2007, at 6:00 p.m., at the Tri-Lakes Fire Station No. 1, 18650 Highway 105, Monument, Colorado. This meeting was open to the public

ATTENDANCE

In attendance were Directors:

Richard T. Crocker, Chairman
Barbara Reed-Polatty
Anne Bevis
Chris Monsen

Absent:

Absent was Director Eckehart Zimmermann, whose absence was excused.

Also in attendance were:

Joel Meggers and Sue Blair; Community Resource Services ("CRS")
Paul Rufien, Esq.
Brenda Smith, Erik Tameler, Randy Jones and Shilo Williams;
ECO Resources

ADMINISTRATIVE
MATTERS

Chairman Crocker called the meeting to order at 6:04 p.m. Ms. Blair distributed for the Board's approval a proposed agenda. Following discussion, upon motion duly made by Director Reed-Polatty, and seconded by Director Bevis vote was taken and the agenda was approved unanimously as amended.

Minutes

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The Board reviewed the minutes of the October 25, 2007 regular meeting. Director Bevis moved the minutes be approved as presented. Upon second by Director Monson, vote was taken and motion carried unanimously.

The Board reviewed the minutes of the November 9, 2007 special meeting. Director Reed-Polatty moved that the minutes be approved, amending the Capital Projects Update to include estimated project costs for Flow Meters of \$25,000 and a Hydraulic Risk Assessment of \$12,000. Upon second by Director Bevis, vote was taken and motion carried unanimously.

Website Update

Ms. Blair reported the website is being updated by CRS to include approved minutes, meeting notices, etc.

Transition Update

Mr. Rufien gave a flash drive to Ms. Blair which was received from Special District Management Services. The drive purportedly contains all District electronic files currently on the SDMS system. The files will be reviewed for completeness. Mr. Meggers reported that paper files have been received and reviewed by CRS staff. Director Bevis requested she be allowed to spot check the drive for emails, graphics, source code information for the website, 2004 archived files regarding the embezzlement, etc. Director Monsen stated that he has access to high speed scanners and volunteered to scan any documentation the District would like archived.

FINANCIAL MATTERS

Review and Approve Payment of Claims

Ms. Blair requested that the Board consider payment of the claims represented by check numbers 2000 through 2027, totaling \$48,316.83. Director Reed-Polatty moved the Board approve payment of the claims presented, requesting check numbers 2020 and 2027 be held until further notice. Upon second by Director Bevis, vote was taken and motion carried unanimously.

Review October 31, 2007 Financial Statements

The Board reviewed the financial statements, prepared by Special District Management Services, for the period ending October 31, 2007. The Board deferred approval of the financial statements pending review by CRS of water usage fees billed over the past two months. The Board further requested CRS identify encumbered cash on the monthly cash position statement, showing retainages due on District contracts.

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Debt Service – Amortization Schedule

The Board requested Mr. Meggers prepare an amortization scheduled on the District's bonds, showing debt service fees and charges over the life of the issue, using the current customer base.

2008 Budget

Ms. Blair reported that proper publication had been made to allow the Board to conduct the Public Hearing on the District's 2008 budget.

President Crocker opened the public hearing on the adoption of the District's 2008 budget. Mr. Meggers and the Board reviewed the draft budget in detail and made modifications.

The public hearing on the adoption of the District's 2008 budget was continued to 9:00 a.m. on December 7, 2007 at the offices of CRS.

2007 Budget Amendment

Mr. Meggers stated the General and Enterprise Funds will require a 2007 budget amendment. Ms. Blair reported that proper publication had been made to allow the Board to conduct the public hearing on the District's proposed 2007 budget amendment.

President Crocker opened the public hearing to amend the District's 2007 budget. There being no public present to comment on the amendment, the public hearing was closed. The final 2007 budget amendment will be distributed to the Board at a future meeting.

Utility Billing

The Board requested CRS provide a monthly delinquent accounts report as part of the financial statements.

OPERATIONS REPORT

Representatives from ECO Resources addressed the Board on the status of the following items:

- A stack of paperwork has been received from CSI regarding testing. ECO is reviewing the documentation. Sample data was taken on 10.08.07, and Mr. Tamer is trying to determine if this was for the 4th quarter reporting. He is reviewing the monitoring schedule to determine what

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needs to be completed by the end of the year. Regarding the TOC (total organic carbon), it is not a State required test. The test is costly and ECO has contacted the State to determine if it is required due to prior testing reports or due to the boil order.

- Backwash valves at the Arapahoe Water Plant need to be rebuilt. Mr. Tameler was concerned it was running too much. Wind issues are causing tripping problems.
- Surface Water Plant – New filters have been ordered from Aqueous Solutions. The Board requested that ECO take the lead on checking on the status of the filters. New piping will be installed after the new filter manifold has been completed.
- 4 holes were core drilled on Shiloh Pines that need to be brought to the surface via risers, and then cold mix poured around the valves. The Board authorized ECO to make the necessary repairs.
- Mr. Tameler reported a line break was reported on Sierra Vista Drive. There appears to be 100+ pounds of pressure in the line. ECO will forward this information to RG Consulting Engineers. Perhaps the PRV needs to be adjusted.
- Mr. Tameler reported that in the future two clamps will be used on all repairs.
- 10875 Rock Brook Road – ECO is authorized to pick up debris (branches) at this location in the spring, in conjunction with replanting work at the Nevins' and Sanchez' residences. Repair work caused debris.
- Polanco – The Board requested that CRS determine whether a letter was sent by Lisa Johnson regarding the repair of the water leak near the barn. Polanco's must relocate the water line connection that goes from to the barn to the main line prior to the service line meter. The line that goes to the barn is not metered. The letter was to start a 60-day timeframe in which they must repair the leak. If not repaired within the 60-day period, the District would schedule a shut-off at the home.
- Sanchez has requested that a spot be replanted with grass in the spring.

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- Mr. Tamer reported he received a locate request for Red Rock Ranch Drive and Sunburst. Mike Bacon and Directors Bevis and Monsen walked the lines and located same in May 2007. The Board requested that Mr. Meggers contact RG Engineer regarding preparation of system maps. The Board would like delivery of said maps at the next regular meeting of the Board. ECO would like an additional set of maps for the office.
- Locate Costs – Ms. Blair asked if ECO would be charging extra for locate costs, and whether the Board would like to back charge those costs to the homeowner. ECO representatives stated that as long as it wasn't an emergency locate, and if they were already on site, no additional charge would be assessed.
- Repairs to Transmission Line Near the Booster Station – The District had agreed to pay for the pipe, estimated at \$16.00 per foot, which is very reasonable. The cost of the transmission line is \$54,400. The cost of the Herebic water main break of \$2,800 will be deducted from the cost of the transmission line.
- A coordination meeting with all consultants and the Board will be held on Friday, December 7, 2007, at 9:00 a.m., at the offices of CRS.
- ECO requested the operations contract be executed within thirty (30) days. Mr. Rufien will review the ECO contract and forward his comments to the Board.
- Randy with ECO asked the Board if there were any supply issues during the summer, as he does not want to flush the lines if there are. The Board stated that typically there are no supply issues in the summer.
- ECO and RG are weighing the risk vs. cost of repairing the transmission line. They will provide options to the Board.
- Ms. Smith with ECO stated there are missing security wires on most of the remotes. If the wire is tampered with, a fine can be imposed on the homeowner. ECO will order a crimper (District stamp) so future tampering can be identified. There are four meters that need to be replaced within the District. Ms. Smith suggested the Board may

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want to conduct random inspections to determine if remotes are reading the same as the master meter in the home.

LEGAL MATTERS

File Transition Letter

Mr. Rufien stated he would have appreciated it if he had been copied on the letter to SDMS requesting the District's electronic files, since Ms. McCoy contacted him directly regarding the District's request.

Wilde Matter

Mr. Rufien reported the lawsuit will be in full force at the first of the year. Many issues need to be addressed within this lawsuit, such as back charges for water usage, future earnings, legal transferability of Nevin's agreements, amount of tap fee, etc. Mr. Rufien recommended the 2008 budget reflect \$15,000 for litigation costs and \$2,000 for general legal work.

Longshore Matter

The Board requested CRS try to locate a letter that was to be sent by Ms. Johnson informing Mr. Longshore that the Board was enforcing its rules and regulations, and that he was responsible for the saddle repair.

CRS Contract

Director Bevis will take the lead on finalizing the CRS contract.

ECO Resources Contract

Mr. Rufien will review and comment on the contract.

RG Consulting Engineers

Mr. Rufien has reviewed and provided comments on the agreement. CRS will determine whether a signed contract has been received.

Amended Agreement of 1985 with Nevins

Director Reed-Polatty will provide to the Board a modified agreement with the Nevins for consideration.

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DIRECTORS' ITEMS

McMurray Request

The Board considered an informal request from the McMurray's to install portable corrals on District property to enable them to care for their horse at their home. Director Reed-Polatty stated that the District has PRVs on their property with no easement in place. Mr. Rufien stated that financially there is no problem, but the agreement should be formalized and an easement received from them for the PRVs and suggested an encroachment agreement or license might be preferable. McMurray's insurance would have to indemnify the District. The Board requested that Ms. McMurray draft a formal request to the Board for final consideration.

Mode of Operations

Director Reed-Polatty reported that 10 days prior to the meeting she would call the past manager to determine what needs to be on the monthly meeting agenda. She encouraged the Board to communicate with CRS, stating that management cannot work in a vacuum. The Board members had previously promised to CRS a project list that could be incorporated into the agenda and look ahead schedule.

MANAGER'S ITEMS

2008 Annual Administrative Matters Resolution

The Board reviewed the 2008 annual administrative resolution and requested that the reference to an audit exemption application be removed. Director Bevis moved the Board approve the amended resolution. Upon second by Director Monsen, vote was taken and motion carried unanimously.

Look-Ahead Schedule

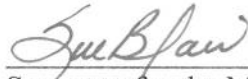
The Board reviewed the look-ahead schedule. Ms. Blair and Mr. Meggers will update the schedule by category, i.e. operations, legal, administrative, etc.

CONTINUATION

There being no further business to come before the Board, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was continued to 9:00 a.m. on December 7, 2007 at The offices of Community Resource Services, 3855 Lewiston Street, Aurora, CO 80011.

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Respectfully submitted,



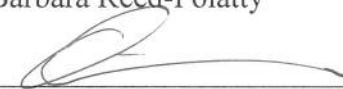
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL
NOVEMBER 29, 2007 MINUTES OF THE FOREST VIEW
ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS
SIGNING BELOW:

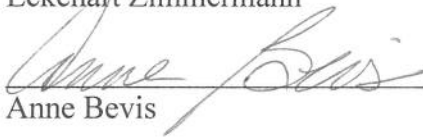


Richard T. Crocker

Barbara Reed-Polatty



Eckehart Zimmermann



Anne Bevis

Chris Monsen